

LOUISIANA CEMETERY BOARD
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA

BASIC FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10/13/10

Louisiana Cemetery Board
STATE OF LOUISIANA
Annual Financial Statements
December 31, 2009

C O N T E N T S

Affidavit		1
Accountants' Review Report		2
Independent Accountants' Report on Applying Agreed-Upon Procedures		3 - 5
Louisiana Attestation Questionnaire		6 - 9
 Basic Financial Statements		
Balance Sheet	A	10
Statement of Revenues, Expenses, and Changes in Fund Net Assets	B	11
Statement of Activities	C	12
Statement of Cash Flows	D	13 - 14
Notes to the Financial Statements		15 - 23
A. Summary of Significant Accounting Policies		
B. Budgetary Accounting		
C. Deposits with Financial Institutions and Investments		
D. Capital Assets – Including Capital Lease Assets		
E. Inventories		
F. Restricted Assets		
G. Leave		
H. Retirement System		
I. Other Postemployment Benefits		
J. Leases		
K. Long-Term Liabilities		
L. Contingent Liabilities		
M. Related Party Transactions		
N. Accounting Changes		
O. In-Kind Contributions		
P. Defeased Issues		
Q. Revenues – Pledged or Sold (GASB 48)		
R. Government-Mandated Nonexchange Transactions (Grants)		
S. Violations of Finance-Related Legal or Contractual Provisions		
T. Short-Term Debt		
U. Disaggregation of Receivable Balances		
V. Disaggregation of Payable Balances		
W. Subsequent Events		
X. Segment Information		
Y. Due to/Due from and Transfers		
Z. Liabilities Payable from Restricted Assets		
AA. Prior-Year Restatement of Net Assets		
BB. Net Assets Restricted by Enabling Legislation (GASB 46)		
CC. Impairment of Capital Assets		
DD. Employee Termination Benefits		
EE. Pollution Remediation Obligations		
 Schedules		
1	Schedule of Per Diem Paid to Board Members	24
15	Schedule of Comparison Figures	25
17	Schedule of Findings & Management Corrective Action Plan	26 - 27

Schedule Number

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending December 31, 2009

Louisiana Cemetery Board
3445 N. Causeway Blvd, Suite 700
Metairie, Louisiana 70002

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397


Physical Address:
1201 N. Third Street
Claiborne Building, 6th Floor, Suite 6-130
Baton Rouge, Louisiana 70802

Physical Address:
1600 N. Third Street
Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority, Michelle M. Holloway, Secretary/Treasurer of Louisiana Cemetery Board, duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of Louisiana Cemetery Board at December 31, 2009 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 23rd day of June, 2010.


Signature of Agency Official


NOTARY PUBLIC
JD 45013

Prepared by: Robert J. Furman, CPA

Title: Partner, Griffin & Company, LLC, CPA's

Telephone No.: 985-727-9924

Date: June 11, 2010

Accountants' Review Report

**Louisiana Cemetery Board
Office of the Governor
State of Louisiana
Metairie, Louisiana**

We have reviewed the accompanying Division of Administration, Office of Statewide Reporting and Accounting Policy's Annual Fiscal Report of the business-type activities of the Louisiana Cemetery Board, a component unit of the State of Louisiana, as of and for the year ended December 31, 2009, which collectively comprise the Board's basic financial statements, as listed in the table of contents. These basic financial statements are the responsibility of the Louisiana Cemetery Board's management.

Our review was conducted in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants and applicable standards of *Governmental Auditing Standards* issued by the Comptroller General of the United States of America. A review consists principally of inquiries of Board personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Management has elected to omit the management's discussion and analysis as supplementary information as well as certain disclosures relating to other post employment benefit obligations. These disclosures are required by the Governmental Accounting Standards Board and accounting principles generally accepted in the United States of America.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated May 31, 2010, on the results of our agreed upon procedures.

Griffin & Company, LLC

June 11, 2010

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

**To the Board Members
Louisiana Cemetery Board
Metairie, Louisiana**

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Louisiana Cemetery Board (the "Board") and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Board's compliance with certain laws and regulations for the year ended December 31, 2009, included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

The Board did not have any disbursements for public works exceeding \$100,000 or disbursements for materials and supplies exceeding \$20,000. Accordingly, no expenditures were required to be tested.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each Board Member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all Board Members and employees, as well as their immediate families.

Board members provided us with the required list.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management in procedure 3 appeared on the listing provided by board members in procedure 2.

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments, if applicable.

A copy of the legally adopted budget was obtained from the Board.

6. Trace the budget adoption and amendments to the minute book.

The budget adoption and two related amendments were traced to the minute book.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more if actual expenditures exceeded budgeted amounts by 5% or more.

We compared the actual revenues and expenditures to budgeted amounts for the year. Actual revenues did not fail to meet budgeted revenues by 5% or more. Actual expenditures did not exceed budgeted amounts by 5% or more.

Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and:

(a) Trace payments to supporting documentation as to proper amount and payee;

All payments were traced to supporting documentation without exception.

(b) Determine if payments were properly coded to the correct fund and general ledger amount;

All payments were properly coded to the correct fund and general ledger account without exception.

(c) Determine whether payments received approval from proper authorities.

All payments received approval from proper authorities.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Management has asserted that such documents were properly posted on both the website and the door of the board's office. For all meetings in 2009, we examined the notices that were posted that management retains in the meeting files.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

Bank deposits for the period under examination were reviewed noting no deposits that appear to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

Payroll records and minutes for the period were reviewed noting no payments to employees that may constitute bonuses, advances, or gifts.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures other matters might have come to our attention that would have been reported to you

This report is intended solely for use of management of the Louisiana Cemetery Board and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Griffin & Company, LLC

June 11, 2010

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

5/18/10 (Date Transmitted)

Griffin & Company, LLC

1433 West Causeway Approach

Mandeville, LA 70471

(Auditors)

In connection with your review of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of May 7, 2010.

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes ☒ No ☐

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

SEE ATTACHED Yes ☐ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes ☒ No ☐

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-16), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes ☒ No ☐

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes ☒ No ☐

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes ☒ No ☐

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R. S. 42:1 through 42:13.

Yes ☒ No ☐

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes ☒ No ☐

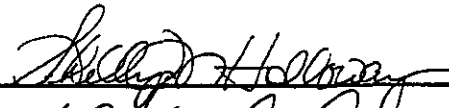
Advances and Bonuses


It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

 Secretary/Treasurer 5-18-10 Date

 Director 5-18-10 Date

Statement describing potential Conflict of Interest

**Louise Saenz
Member-At-Large
Louisiana Cemetery Board**

Tier 2.1

I was appointed to the Louisiana Cemetery Board in 2009 as a Board Member At-Large. I came to this appointment after resigning an eleven position in 2007 as Executive Director of a non-profit preservation organization, Save Our Cemeteries (SOC). After leaving in 2007, I became an independent consultant that assists non-profits with fundraising events and grant writing.

SOC has an annual benefit each November called "A Run Through History". This 5K race raises funds for the organization to use to preserve the historic cemeteries of Louisiana. Lake Lawn Metairie Cemetery and Funeral Home (owned by Stewart Enterprises) hosts the annual race on their property and the non-profit New Orleans Track Club (NOTC) facilitates the race itself. Because SOC is an organization with a small staff, in addition to hosting the race, Lake Lawn (in a volunteer capacity) also assists SOC by hosting the race committee meetings, assisting with raising sponsorships, soliciting food donations and providing volunteers. Lake Lawn also oversees the race budget by collecting all donations and the entry fees (minus NOTC's expenses), paying all vendors, and transmitting the net proceeds to SOC after the event has concluded.

As the former director of SOC, I sat on the race committee for six years and am intimately familiar with the race effort. Given my experience and in my new capacity as a fundraising consultant, the committee decided to hire me to handle the sponsor solicitation process for the event. This included printing and mailing the sponsor letters, calling the sponsors to confirm their donations, tracking the sponsors, thanking them following the event, and maintaining a database of said sponsors.

Because Lake Lawn Metairie Cemetery and Funeral Home was handling all incoming and outgoing funds for the race (as a sponsor/host/donor to SOC), the payments for my services for the race were made to me by Stewart Enterprises. During 2009 and 2010, I was paid three equal payments of \$500 for my work, totaling \$1,500.

No services were conducted to benefit the cemetery or funeral related affairs of Lake Lawn Metairie Cemetery, Funeral Home or Stewart Enterprises.

Lake Lawn Metairie Cemetery, Funeral Home and Stewart Enterprises never came before the Louisiana Cemetery Board in person or as an agenda item while this work was being done or payments were pending.

Lastly I have made/am willing to take the following actions to resolve this potential conflict of interest:

1. I have been asked by the Executive Director of SOC to provide the above-mentioned services for the 2010 race. I can require that Save Our Cemeteries pay me directly for the services that I provide them.
2. I can offer to return the amount of \$1,500 to Stewart Enterprises for the 2009 race assistance I provided to SOC, asking that they provide said funds to SOC for direct repayment to me.

The Louisiana Cemetery Board is the first and only governmental board on which I have ever served. So please note that as a person new to public service I did not think that my actions in providing this assistance posed a possible conflict of interest. My services were to benefit SOC alone, and not Stewart Enterprises. I am willing to resolve this matter as you see fit.

**STATE OF LOUISIANA
LOUISIANA CEMETERY BOARD
BALANCE SHEET
AS OF DECEMBER 31, 2009**

Statement A

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$	134,136
Investments (CD's)		88,542
Receivables (net of allowance for doubtful accounts)(Note U)		
Due from other funds (Note Y)		
Due from federal government		
Inventories		
Prepayments		1,290
Notes receivable		
Other current assets		
Total current assets		223,968

NONCURRENT ASSETS:

Restricted assets (Note F):		
Cash		
Investments		
Receivables		
Investments		
Notes receivable		
Capital assets (net of depreciation)(Note D)		
Land		
Buildings and improvements		
Machinery and equipment		
Infrastructure		
Construction in progress		
Other noncurrent assets		
Total noncurrent assets		-
Total assets	\$	223,968

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$	2,600
Due to other funds (Note Y)		
Due to federal government		
Deferred revenues		
Amounts held in custody for others		
Other current liabilities		
Current portion of long-term liabilities: (Note K)		
Contracts payable		
Compensated absences payable		
Capital lease obligations		
Claims and litigation payable		
Notes payable		
Bonds payable		
Other long-term liabilities		
Total current liabilities		2,600

NONCURRENT LIABILITIES: (Note K)

Contracts payable		
Compensated absences payable		14,604
Capital lease obligations		
Claims and litigation payable		
Notes payable		
Bonds payable		
OPEB payable		85,185
Other long-term liabilities		
Total noncurrent liabilities		99,789
Total liabilities		102,389

NET ASSETS

Invested in capital assets, net of related debt		
Restricted for:		
Capital projects		
Debt service		
Unemployment compensation		
Other specific purposes		
Unrestricted		121,579
Total net assets		121,579
Total liabilities and net assets	\$	223,968

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA
LOUISIANA CEMETERY BOARD
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2009

Statement B

OPERATING REVENUES	
Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	220,733
Other	_____
Total operating revenues	220,733
OPERATING EXPENSES	
Cost of sales and services	_____
Administrative	268,717
Depreciation	_____
Amortization	_____
Total operating expenses	268,717
Operating income(loss)	(47,984)
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	_____
Intergovernmental revenues(expenses)	_____
Taxes	_____
Use of money and property	_____
Gain on disposal of fixed assets	_____
Loss on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____
Other revenue	2,058
Other expense	_____
Total non-operating revenues(expenses)	2,058
Income(loss) before contributions, extraordinary items, & transfers	(45,926)
Capital contributions	_____
Extraordinary item - Loss on impairment of capital assets	_____
Transfers in	_____
Transfers out	_____
Change in net assets	(45,926)
Total net assets – beginning	167,505
Total net assets – ending	\$ 121,579

The accompanying notes are an integral part of this financial statement.

**STATE OF LOUISIANA
LOUISIANA CEMETERY BOARD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009**

Statement C

See Appendix A for instructions

The accompanying notes are an integral part of this statement.

	<u>Program Revenues</u>				<u>Net (Expense)</u>
		<u>Operating</u>	<u>Capital</u>		
	<u>Expenses</u>	<u>Charges for</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Contributions</u>	<u>Contributions</u>	<u>Changes in</u>
					<u>Net Assets</u>
Entity	\$ <u>268,717</u>	\$ <u>220,733</u>	\$ <u>0</u>	\$ <u>0</u>	<u>(47,984)</u>
General revenues:					
Taxes					
State appropriations					
Grants and contributions not restricted to specific programs					
Interest					<u>2,058</u>
Miscellaneous					
Special items					
Extraordinary item - Loss on impairment of capital assets					
Transfers					
Total general revenues, special items, and transfers					<u>2,058</u>
Change in net assets					<u>(45,926)</u>
Net assets - beginning					<u>167,505</u>
Net assets - ending				\$	<u>121,579</u>

**STATE OF LOUISIANA
LOUISIANA CEMETERY BOARD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009**

**Statement D
(continued)**

Cash flows from operating activities		
Cash received from customers	\$ 220,733	
Cash payments to suppliers for goods and services	(124,884)	
Cash payments to employees for services	(101,245)	
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		
Net cash provided(used) by operating activities		(5,396)
Cash flows from non-capital financing activities		
State appropriations		
Federal receipts		
Federal disbursements		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other		
Net cash provided(used) by non-capital financing activities		-
Cash flows from capital and related financing activities		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets		
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		-
Cash flows from investing activities		
Purchases of investment securities	(88,542)	
Proceeds from sale of investment securities	198,430	
Interest and dividends earned on investment securities	2,058	
Net cash provided(used) by investing activities		111,946
Net increase(decrease) in cash and cash equivalents		106,550
Cash and cash equivalents at beginning of year		27,586
Cash and cash equivalents at end of year	\$	134,136

**STATE OF LOUISIANA
LOUISIANA CEMETERY BOARD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009**

**Statement D
(concluded)**

Reconciliation of operating income(loss) to net cash provided(used) by operating activities:

Operating income(loss)		\$ (47,984)
Adjustments to reconcile operating income(loss) to net cash provided (used) by operating activities:		
Depreciation/amortization		
Provision for uncollectible accounts		
Other		
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net		
(Increase)decrease in due from other funds		
(Increase)decrease in prepayments		(1,290)
(Increase)decrease in inventories		
(Increase)decrease in other assets		
Increase(decrease) in accounts payable and accruals		(2,499)
Increase(decrease) in compensated absences payable		645
Increase(decrease) in due to other funds		
Increase(decrease) in deferred revenues		
Increase(decrease) in OPEB payable		45,732
Increase(decrease) in other liabilities		

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease	\$	
Contributions of fixed assets		
Purchases of equipment on account		
Asset trade-ins		
Other (specify)		
Total noncash investing, capital, and financing activities:	\$	-

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA
LOUISIANA CEMETERY BOARD
Notes to the Financial Statement
As of and for the year ended DECEMBER 31, 2009**

INTRODUCTION

The Louisiana Cemetery Board (the Board) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 8:61. The Board is under control of the Office of the Governor and a component unit of the State of Louisiana and is an integral part of such reporting entity. The board is governed by seven members appointed by the Governor of Louisiana for a term of four years. The board elects from its members a chairman, vice-chairman, and secretary/treasurer.

The Board is charged with the responsibility of regulating the cemetery industry and monitoring all perpetual care and merchandise trust funds.

The Board's office is located in Metairie, Louisiana, and employs two unclassified employees. The Board's operations are funded entirely through annual self-generated revenues.

The accounting and reporting framework and the more significant accounting principles and practices of the Board are discussed in subsequent sections of this note. The remainder of the notes are organized to provide explanations, including required disclosures, of the Board's financial activities for the fiscal year ended December 31, 2009.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Louisiana Cemetery Board present information only as to the transactions of the programs of the Board as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Louisiana Cemetery Board are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

**STATE OF LOUISIANA
LOUISIANA CEMETERY BOARD
Notes to the Financial Statement
As of and for the year ended DECEMBER 31, 2009**

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the Louisiana Cemetery Board are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows:

	<u>APPROPRIATIONS</u>
Original approved budget	\$ _____
Amendments:	_____

Final approved budget	\$ _____ -

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Board may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Board may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the statement of cash flows and balance sheet presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by the three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

**STATE OF LOUISIANA
LOUISIANA CEMETERY BOARD
Notes to the Financial Statement
As of and for the year ended DECEMBER 31, 2009**

The deposits at December 31, 2009, consisted of the following:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Balance per agency books	\$ 134,136	\$ 88,542	\$ -	\$ 222,678
Deposits in bank accounts per bank	\$ 136,071	\$ 88,542	\$ -	\$ 224,613
Bank balances of deposits exposed to custodial credit risk:				
a. Deposits not insured and uncollateralized	\$ -	\$ -	\$ -	\$ -
b. Deposits not insured and collateralized with securities held by the pledging institution.	\$ -	\$ -	\$ -	\$ -
c. Deposits not insured and collateralized with securities held by the pledging institution's trust department or agency <u>but not in the entity's name.</u>	\$ -	\$ -	\$ -	\$ -

NOTE: The "Deposits in bank accounts per bank" will not necessarily equal the "Balance per agency books" due to outstanding items.

The following is a breakdown by banking institution, program, account number, and amount of the "Deposits in bank accounts per bank" balances shown above:

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	\$ _____
Petty cash	\$ _____

<u>Banking Institution</u>	<u>Program</u>	<u>Amount</u>
1. Capital One	Checking	\$ 134,136
2. Capital One	Certificate of Deposit	60,315
3. Capital One	Certificate of Deposit	28,227
Total		\$ 222,678

2. INVESTMENTS

The Board does not maintain investment accounts as authorized by R.S. 49-327.

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported

**STATE OF LOUISIANA
LOUISIANA CEMETERY BOARD
Notes to the Financial Statement
As of and for the year ended DECEMBER 31, 2009**

on the balance sheet. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

	Year ended June 30, 2008						Balance 6/30/2008
	Balance 6/30/2007	Prior Period Adjustment	Adjusted Balance 6/30/2007	Additions	Transfers*	Retirements	
Capital assets not being depreciated							
Land	\$	\$	\$	-	\$	\$	\$
Non-depreciable land improvements				-			-
Capitalized collections				-			-
Construction in progress				-			-
Total capital assets not being depreciated	-	-	-	-	-	-	-
Other capital assets							
Machinery and equipment	35,450		35,450				35,450
Less accumulated depreciation	(35,450)		(35,450)				(35,450)
Total Machinery and equipment	-	-	-	-	-	-	-
Buildings and improvements			-				-
Less accumulated depreciation			-				-
Total buildings and improvements	-	-	-	-	-	-	-
Depreciable land improvements			-				-
Less accumulated depreciation			-				-
Total depreciable land improvements	-	-	-	-	-	-	-
Infrastructure			-				-
Less accumulated depreciation			-				-
Total infrastructure	-	-	-	-	-	-	-
Total other capital assets	-	-	-	-	-	-	-
Capital Asset Summary:							
Capital assets not being depreciated	-	-	-	-	-	-	-
Other capital assets, at cost	35,450	-	35,450	-	-	-	35,450
Total cost of capital assets	35,450	-	35,450	-	-	-	35,450
Less accumulated depreciation	(35,450)	-	(35,450)	-	-	-	(35,450)
Capital assets, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

E. INVENTORIES

The Board has no inventory at December 31, 2009.

**STATE OF LOUISIANA
LOUISIANA CEMETERY BOARD
Notes to the Financial Statement
As of and for the year ended DECEMBER 31, 2009**

F. RESTRICTED ASSETS

None

G. LEAVE

1. COMPENSATED ABSENCES

The Board has the following policy on annual and sick leave:

Employees can earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

2. COMPENSATORY LEAVE

N/A

H. RETIREMENT SYSTEM

All of the employees of the Board are members of the Louisiana State Employees Retirement System, a cost sharing multi-employer, defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time Board employees are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service.

Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000.

Members are required by state statute to contribute 7.5% of gross salary, and the Louisiana Cemetery Board is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended December 31, 2009 was 19% of annual covered payroll. The Board contributions to the System for the years ending December 31, 2009, 2008, and 2007, were \$18,781, \$18,821, and \$18,359, respectively, equal to the required contributions for each year.

**STATE OF LOUISIANA
LOUISIANA CEMETERY BOARD
Notes to the Financial Statement
As of and for the year ended DECEMBER 31, 2009**

I. OTHER POSTEMPLOYMENT BENEFITS

GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* addresses accounting and financial reporting for OPEB trust and agency funds of the employer. GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* establishes standards of accounting and financial reporting for OPEB expense/expenditures and related OPEB liabilities or OPEB assets, note disclosures, and required supplementary information (RSI) in the financial reports of governmental employers. See the GASB Statement No. 45 note disclosures requirements in section 2 of this note.

Calculation of Net OPEB Obligation

(Note: Complete the following table for only the net OPEB obligation (NOO) related to OPEB administered by the Office of Group Benefits)

Fiscal year ending	12/31/2009
1. Annual required contribution (ARC)	61,900.00
2. NOO, beginning of year	39,453.00
3. Amortization factor	26.17
4. Interest on NOO (4% x 2.)	1,578.12
5. ARC adjustment (2./3.)	1,507.57
6. Annual OPEB expense (1. + 4. - 5.)	61,970.55
7. Contributions (payments to OGB for retiree's cost of group insurance 2009 premiums)	16,238.48
8. Adjustment to OGB billings for retirees' insurance 2009 premiums	
9. NOO, end of year (2. + 6. - 7 +or-8.)	85,185.07

Deferred Compensation Plan

Certain employees of the Board participate in the Louisiana Deferred Compensation Plan adopted under the provisions of Internal Revenue Code Section 457. Complete disclosures relating to this statewide plan are available in the financial statements of the State of Louisiana.

J. LEASES

1. OPERATING LEASES

The total payments for operating leases during fiscal year 2009 amounted to \$15,480. A schedule of payments for operating leases follows:

Nature of lease	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015- 2019	FY 2020- 2024
Office Space	\$ 15,480	\$ 7,740	\$	\$	\$	\$	\$
Equipment							
Land							
Other							
Total	\$ 15,480	\$ 7,740	\$ -	\$ -	\$ -	\$ -	\$ -

**STATE OF LOUISIANA
LOUISIANA CEMETERY BOARD
Notes to the Financial Statement
As of and for the year ended DECEMBER 31, 2009**

2. CAPITAL LEASES

The Board has no capital leases at December 31, 2009.

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended December 31, 2009:

(Send OSRAP a copy of the amortization schedule for any new debt issued.)

	Year ended December 31, 2009					
	Balance December 31, 2008	Additions	Reductions	Balance December 31, 2009	Amounts due within one year	
Notes and bonds payable:						
Notes payable	\$	\$	\$	\$ --	\$	
Bonds payable				--		
Total notes and bonds	--	--	--	--	--	
Other liabilities:						
Contracts payable				--		
Compensated absences payable	13,959	645		14,604		
Capital lease obligations				--		
Claims and litigation				--		
OPEB payable				--		
Other long-term liabilities				--		
Total other liabilities	13,959	645	--	14,604	--	
Total long-term liabilities	\$ 13,959	\$ 645	\$ --	\$ 14,604	\$ --	

L. CONTINGENT LIABILITIES

The Louisiana Cemetery Board is not a defendant in litigation seeking damages.

M. RELATED PARTY TRANSACTIONS

The Board has no related party transactions at December 31, 2009.

N. ACCOUNTING CHANGES

The Board has made no accounting changes during the year ended December 31, 2009.

O. IN-KIND CONTRIBUTIONS

The Board had no in-kind contributions at December 31, 2009.

P. DEFEASED ISSUES

The Board had no defeased issues for the current year.

Q. REVENUES – PLEDGED OR SOLD (GASB 48)

STATE OF LOUISIANA
LOUISIANA CEMETERY BOARD
Notes to the Financial Statement
As of and for the year ended DECEMBER 31, 2009

The board had no pledged or sold revenues at December 31, 2009

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

The board had no government-mandated nonexchange transactions (grants) during fiscal year 2009.

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

The Board was not in violation of any finance-related legal or contractual provisions.

T. SHORT-TERM DEBT

Short-term debt activity for the year ended December 31, 2009 was as follows: None.

U. DISAGGREGATION OF RECEIVABLE BALANCES

The Board did not have any receivables for the current year.

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at December 31, 2009, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
Operations	\$ 2,600	\$ -	\$ -	\$ -	\$ 2,600
Total payables	\$ 2,600	\$ -	\$ -	\$ -	\$ 2,600

W. SUBSEQUENT EVENTS

The Board has no subsequent events at December 31, 2009.

X. SEGMENT INFORMATION

Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for those activities in the notes to the financial statements. For purposes of this disclosure, a segment is an identifiable activity (or group of activities), reported as or within an enterprise fund or another stand-alone entity that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. This requirement for separate accounting applies if imposed by an external party, such as accounting and reporting requirements set forth in bond indentures.

Segment information is not required for the Louisiana Cemetery Board.

Y. DUE TO/DUE FROM AND TRANSFERS

The Board did not have any due to / due from transactions.

**STATE OF LOUISIANA
LOUISIANA CEMETERY BOARD
Notes to the Financial Statement
As of and for the year ended DECEMBER 31, 2009**

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

The Board did not have any restricted assets for the current year.

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

Net assets have not been restated.

BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB STATEMENT 46)

The Board does not have any net assets restricted.

CC. IMPAIRMENT OF CAPITAL ASSETS

None of the capital assets of the Board were impaired at December 31, 2009.

DD. EMPLOYEE TERMINATION BENEFITS

The Board did not have any termination benefits required to be reported.

EE. POLLUTION REMEDIATION LIABILITIES

The Board did not have any pollution remediation liabilities to be reported.

[illegible]

24

STATE OF LOUISIANA
LOUISIANA CEMETERY BOARD
COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$1 million, explain the reason for the change.

	<u>2009</u>	<u>2008</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ 222,791	\$ 221,234	\$ 1,557	0.7%
Expenses	268,717	268,136	581	0.2%
2) Capital assets	-0-	-0-	-	
Long-term debt	14,604	13,959	645	5%
Net Assets	121,579	167,505	-45,926	-27%
Explanation for change:				

SCHEDULE 15

STATE OF LOUISIANA
LOUISIANA CEMETERY BOARD

Schedule of Findings and Management Corrective Action Plan

For the Year Ended December 31, 2009

Finding 2009-1:

Criteria:

Management is responsible for developing internal controls related to the preparation of financial statements as well as preparing financial statements in accordance with accounting principles generally accepted in the United States of America.

Condition & Cause:

As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting entries and to prepare the Board's annual financial statements. This condition is intentional by management based upon the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls. Recently issued Statement on Auditing Standards (SAS) 112 requires that we report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are adequately mitigated with nonaudit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

Recommendation:

As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 112's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies an auditor reports under SAS 112. In this case we do not believe that curing the significant deficiency described above would be cost effective or practical and accordingly do not believe any corrective action is necessary.

Management Corrective Action Plan:

In response to the finding, management feels that it is a prudent use of funds to engage the auditor to prepare the Board's annual financial reports. We therefore agree with the auditors' recommendation that no correction action is necessary.

Finding 2009-2:

Criteria:

Employees and officials are prohibited from accepting anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of Louisiana R.S. 42:1101-1124.

Condition & Cause:

Upon completing the Louisiana Attestation Questionnaire for the current year, the Board was informed by one of its members that a situation occurred during the year whereby the Board member was compensated as a fundraising consultant by a non-profit organization. This non-profit organization holds a fundraising race each year to raise money to preserve the historic cemeteries of Louisiana. Due to the small size of the non-profit organization and as a matter of administrative convenience, funds for the event were collected and disbursed by a cemetery that is licensed by the Board. As a result, the cemetery issued a check to the Board member on behalf of the non-profit organization.

Recommendation:

We recommend the Board submit this information to the Louisiana Ethics Board for review and determination.

Management Corrective Action Plan:

The Board has submitted a report detailing this information to the Louisiana Ethics Board. A response from the Ethics Board has not been received as of the issuance of this report. Upon receipt of the ethics determination, the Board and Board member will take the appropriate steps necessary to correct this situation if required.